



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

FOR IMMEDIATE RELEASE

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Illinois Attorney Enjoined From Continuing Debt Settlement Business Until He Complies With Attorney General's Investigation

Illinois attorney, Robert K. Lock, Jr., and his company, Credit Collections Defense Network, have been temporarily enjoined from settling consumers' debts until they comply with an investigation under way by Attorney General Darrell McGraw as the result of an order signed by the Circuit Court of Kanawha County on March 30, 2009.

Credit Collections Defense Network of Chicago, with additional offices in Cattaraugus, New York, and Robert Lock of Chicago, claim to assist consumers who are struggling financially to make payments to their creditors. This increasingly common, and sometimes controversial, business of debt settlement has arisen as consumer credit card debt has ballooned in the past few years. Debt settlers such as Credit Collections Defense Network make repayment plans to help consumers repay outstanding debts, at a deep discount, to avoid being sued or filing for bankruptcy. Monthly payments are then made by consumers to the debt settlers in turn for which the debt settlers claim to negotiate with creditors to reduce the amount of debt owed.

Although debt settlement services are unrestricted in some states, West Virginia's law regarding debt settlement only permits for-profit companies to charge a monthly service fee of two percent of the payments made by consumers. In his petition, Attorney General McGraw is alleging that Credit Collections Defense Network was charging more than the two percent fee allowed by state law and not settling debts.

Attorney General McGraw said, "Although the debt settlement approach to debt relief may work for some persons, the service has legal consequences and should only be offered by persons licensed to practice law in West Virginia. My office will continue to scrutinize the debt relief industry in an effort to protect consumers who are already facing dire financial circumstances from paying excessive fees for services that may leave them in worse shape than before."

Anyone wishing to file a complaint about a consumer matter or to let the Attorney General know about unfair or deceptive practices may do so by calling the Consumer Protection Hotline at 1-800-368-8808 or by obtaining a complaint form from the Consumer web page at www.wvago.gov.

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